



# Fourth Annual Action Plan for 2010-2015 Consolidated Plan

The CPMP Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

## Narrative Responses

### ACTION PLAN

#### Executive Summary

**Mission:** The mission of the City of Lynchburg's Consolidated Annual Action Plan for Program Year 2013 is to obtain the Community Development Block Grant (CDBG) and HOME Program funds that are fundamental to attaining the priorities and objectives identified in the 2010-2015 Consolidated Plan, thereby contributing to the health, welfare and future viability of the City, and specifically in the targeted low-to-moderate income areas.

Since 1975 the City of Lynchburg, as an entitlement jurisdiction through the Department of Housing and Urban Development (HUD), has received annual allocations for the Community Development Block Grant (CDBG) Program. In 1994 the HOME Investment Partnerships (HOME) Program began and the City was designated as a participating jurisdiction and began receiving annual formula allocations through the HOME Program.

The City of Lynchburg, as an entitlement jurisdiction in the CDBG and HOME Program, is required by HUD to submit a Consolidated Plan every five years and an Annual Action Plan in each of the five years of the Consolidated Plan. The Consolidated Plan and Annual Action Plan are mandated documents for receipt of CDBG and HOME Program funds and are designed to be a collaborative process whereby the community establishes a unified vision for community development actions. It offers local jurisdictions the opportunity to shape the various housing and community development programs into effective, coordinated neighborhood and community development strategies. It also creates the opportunity for strategic planning and citizen participation to take place in a comprehensive context while reducing duplication of effort.

The Plan describes the resources available, the programs and projects to be funded and the proposed accomplishments for Program Year 2013 (FY 2014).

The Federal regulations set forth three basic goals against which HUD will evaluate the Consolidated Plan and Annual Action Plan and the jurisdiction's performance under the plan. Each jurisdiction's plan must state how it will pursue these goals for all community development programs, as well as all housing programs. These statutory program goals are as follows:

- **Housing** - The housing programs are to provide decent housing which includes: assisting homeless persons in obtaining affordable housing; assisting persons at risk of becoming homeless; retaining the affordable housing stock; increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability; increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and providing affordable housing that is accessible to job opportunities.
- **Community Development** - The community development programs are to provide a suitable living environment which includes: improving the safety and livability of neighborhoods; eliminating blighting influences and the deterioration of property and facilities; increasing access to quality public and private facilities and services; reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conserving energy resources and use of renewable energy sources.
- **Economic Development** - The economic development programs are to expand economic opportunities which include: job creation and retention; establishment, stabilization and expansion of small businesses (including micro-businesses); the provision of public services concerned with employment; the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan; availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

This Annual Action Plan corresponds to the City's next Fiscal Year (FY 2014), which begins July 1, 2013 and ends June 30, 2014. HUD will provide entitlement funds in the amount of \$607,280 in CDBG and \$269,647 in HOME Program funds. The primary Federal funding resources for the Program Year 2013 (FY 2014) are the following:

**Community Development Block Grant (CDBG):** The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public

facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings and loans or grants to businesses.

HOME Investment Partnership Program (HOME): The HOME program provides Federal funds for the development and rehabilitation of affordable rental and ownership housing for low and moderate income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance and tenant-based rental assistance.

The Consolidated Plan and Annual Action Plan define a specific course of action for meeting the community development and housing needs of the community. It is the means to analyze the full local context and the linkages to the larger region. It builds on local assets and coordinates a response to the needs of the community. It integrates economic, physical, environmental, community and human development in a comprehensive and coordinated fashion so that families and communities can work together and thrive. A strategic plan also sets forth program goals, specific objectives, annual goals, and benchmarks for measuring progress. In so doing, it helps local governments and citizens keep track of results and learn what works in a community.

This year, the City will continue to make significant investments in our housing stock by way of the targeted neighborhood strategy, code enforcement compliance, removal of blighted properties, rental rehabilitation grants, direct homeownership assistance and owner-occupied rehabilitation projects. In addition to servicing our neighborhoods, the City will use some of our CDBG resources to help in the effort to revitalize the Fifth Street commercial corridor.

It is the intent of the City of Lynchburg to encourage and facilitate the participation of residents of the City in the formulation of priorities, strategies, and funding allocations in the Annual Action Plan. To expand and broaden citizen participation, City staff posted public notices on the City's web site ([www.lyncburgva.gov/grants](http://www.lyncburgva.gov/grants)), at community centers and other neighborhood anchors (i.e. schools, neighborhood health centers, and public housing agencies/complexes).

In accordance with the City's adopted Citizen Participation Plan below is a summary of the public meetings and public hearings that were held to allow citizens the opportunity to participate and comment on the development of the Annual Action Plan in conjunction with the goals and objectives established for the 2010-2015 Consolidated Plan and the Program Year 2013 (FY 2014) Annual Action Plan.

■ On January 8, 2013 City Council conducted a public hearing to receive citizen comments regarding the goals for the development of the Program Year 2013 (FY 2014) Annual Action Plan and adopt a resolution approving the goals. A public notice advertisement was placed in *The News and Advance* on December 22, 2012 advising the public of this meeting. The notice was placed on the City's web site at [www.lyncburgva.gov/grants](http://www.lyncburgva.gov/grants) and at various schools, neighborhood community centers, and public housing complexes. There were no public comments received at the public hearing or in writing to the Grants Administration office.

■ During the period of January 14-28, 2013 the acceptance of applications for CDBG and HOME program funds for the City's Program Year 2013 (FY 2014) was conducted. A public notice advertisement was placed in *The News and Advance* on January 14, 2013 advising the public of this meeting. The notice was placed on the City's web site at [www.lynchburgva.gov/grants](http://www.lynchburgva.gov/grants) and at various schools, neighborhood community centers, and public housing complexes. There were no public comments received at the public hearing or in writing to the Grants Administration office.

■ On February 19, 2013 the Community Development Advisory Committee (CDAC) conducted a public meeting for the purpose of reviewing submitted CDBG and HOME Program applications and formulating recommendations for consideration by City Council regarding the allocation of an estimated \$702,849 in CDBG funds and \$283,839 in HOME funds. These amounts included entitlement, reprogrammed and anticipated program income funds. A public notice advertisement was placed in *The News and Advance* on February 4, 2013 advising the public of this meeting. The notice was placed on the City's web site at [www.lynchburgva.gov/grants](http://www.lynchburgva.gov/grants) and at various schools, neighborhood community centers, and public housing complexes.

■ On March 12, 2013 City Council conducted a public hearing regarding the CDAC Annual Action Plan recommended projects. A public notice was placed in *The News and Advance* on February 25, 2013 advising the public of this hearing. The advertisement for the Annual Action Plan included the projects recommended by CDAC at its February 19, 2013 meeting. The notice was placed on the City's web site at [www.lynchburgva.gov/grants](http://www.lynchburgva.gov/grants) and at various schools, neighborhood community centers, and public housing complexes. The recommendations included the projects from previous years that were being reprogrammed into the Program Year 2013 (FY 2014) Annual Action Plan projects and the anticipated program income.

■ On March 26, 2013 the recommendations of CDAC and the comments made at the March 12, 2013 public hearing were discussed at the City Council work session. Prior to City Council's discussion of the CDAC recommendations, City staff presented a letter from the Lynchburg Redevelopment and Housing Authority's (LRHA) Board of Commissioners stating that there was \$85,000 of Program Year 2011 (FY 2012) Spot Blight Abatement project funds that they wished to return to the City. In return LRHA requested that City Council consider allocating additional funds to the Administration and Delivery Costs and Rental Rehabilitation application requests. After review and discussion the final approval was given for the funding allocations for Program Year 2013 (FY 2014). LRHA's request was incorporated into the final allocations.

■ On April 13, 2013 a public notice was published in *The News and Advance* stating that a draft of the proposed Program Year 2013 (FY 2014) Annual Action Plan was available for public review for a 30-day public comment period, culminating with a public hearing scheduled for May 14, 2013 to receive comments regarding the draft Action Plan by City Council. The public comment period began on April 13, 2013 and will continue until May 14, 2013. The advertisement for the draft Annual Action Plan included how the proposed use of the \$1,035,739 in Community Development Block Grant (CDBG) and HOME Program estimated entitlement funds, reprogrammed funds, and program income will be used for the Program Year 2013 (FY 2014).

■ On May 14, 2013 City Council will conduct a public hearing regarding the draft Action Plan that has been available for public review since April 13, 2013. Public comments will be incorporated into this document at the conclusion of the public hearing.

In addition to public meetings and hearings, copies of the draft Annual Action Plan were made available for public review at the following locations in and throughout the City:

- Community Development Department, Grants Administration Office, Second Floor, City Hall, 900 Church Street, Lynchburg, Virginia 24504
- Lynchburg Public Library, 2311 Memorial Avenue, Lynchburg, Virginia
- Downtown Branch Library, City Hall, Basement Floor, 900 Church Street, Lynchburg, Virginia 24504
- Community Development Department, Grants Administration Division website: [www.lynchburgva.gov/grants](http://www.lynchburgva.gov/grants)

The City's past performance in the administration and implementation of the CDBG and HOME Program has met the intent of the federal legislation creating these programs.

Through years of effective planning, partnership and monitoring, Lynchburg has facilitated affordability for decent housing, availability and accessibility to a suitable living environment, sustainability of a suitable living environment and accessibility to economic opportunities. The following is a summary of the City's past performance as reported to HUD in the Consolidated Annual Performance Report (CAPER) for overall performance in Program Year 2011 (FY 2012). The CAPER noted that the City's performance in Program Year 2011 (FY 2012) met or exceeded regulatory expectations in regard to the following:

Serving low and moderate income persons

- Approximately 98.65% (\$460,589) of the amount subject to low/mod benefit was used for activities that benefited low-to-moderate (LMI) persons within the City, well above the minimum threshold of 70% set in 24 CFR 570.901(a).

Mandated budget category caps

- Approximately 15.81% (\$128,983) of Lynchburg's CDBG allocation was spent on planning and administration, under the maximum of 20% allowed according to 24 CFR 570.206(g).

- Approximately 14.32% (\$105,182) of Lynchburg's CDBG allocation funded public service activities, under the maximum of 15% mandated by 24CFR 570.201(e).

Home Program

- Within the HOME Program there were 84.8% and 89.7% respectively committed and disbursed funds with the submittal of the 2011 CAPER.

The CAPER provided a comprehensive account of how its Program Year 2011 (FY 2012) HUD funds were expended and what was accomplished. The City identified each goal as contained in the 2010-2015 Consolidated Plan and provided information on the amount of CDBG and/or HOME funds that were expended and what was accomplished for each corresponding activity.



For the Fourth Year (Program Year 2013/FY 2014) of the 2010-2015 Consolidated Plan, the City will receive an estimated \$607,280 in CDBG entitlement funds and \$269,647 in HOME program funds. Along with these funds, reprogrammed funds, and program income (\$158,812) the following projects will be implemented:

#### CDBG Program

Bluffwalk Section 108	\$ 284,048.00
City Administration	88,100.00
5 <sup>th</sup> Street CDC Phase III – City	175,491.89
Tinbridge Hill Neighborhood	45,000.00
Lynchburg Redevelopment and Housing Authority (LRHA) Administration	24,856.00
LRHA Delivery Costs – Rehabilitation	23,878.00
LRHA Rental Rehabilitation	30,000.00
LRHA Delivery Costs – Acquisition	50,725.00
LRHA Delivery Costs – Disposition	35,818.00
Total CDBG	\$ 757,915.89

#### HOME Program

City Administration	\$ 22,000.00
Greater Lynchburg Habitat for Humanity (GLHFH)	60,000.00
LNDF Homeownership Fund	30,000.00
Lynchburg Community Action Group (Lyn-CAG) Substantial Rehab	75,000.00
Lyn-CAG Homebuyer (Community Housing Development Organization (CHDO)	40,823.00
Lynchburg Neighborhood Development Foundation (LNDF) Single Family Housing Development	50,000.00
Total HOME	\$ 277,823.00

The City of Lynchburg realizes that it cannot meet all the housing and community development needs contained with this Plan. The responsibilities for these efforts must be shared among all facets of the community. The City will make every effort to direct Federal, state, and other funds for community development and housing into projects and activities that will best achieve the goals of the Plan.

For more information or to submit comments regarding this draft Annual Action Plan, please contact Melva Walker, Grants Manager, at (434) 455-3916; 900 Church Street, Lynchburg, VA 24504; or email at: [melva.walker@lynchburgva.gov](mailto:melva.walker@lynchburgva.gov)

## Citizen Participation

The Grants Administration office ensured that the public, Community Development Advisory Committee (CDAC) and City Council were kept advised of the annual consolidated planning process.

In accordance with the City's adopted Citizen Participation Plan below is a summary of the public meetings and public hearings that were held to allow citizens the opportunity to participate and comment on the development of the Annual Action Plan in conjunction with the goals and objectives established for the 2010-2015 Consolidated Plan. Copies of the public notices are included in Appendix A.

It is the intent of the City of Lynchburg to encourage and facilitate the participation of residents of the City in the formulation of priorities, strategies, and funding allocations in the Annual Action Plan. To keep citizens fully informed of the public participation process, City staff posted public notices on the City's web site ([www.lynchburgva.gov/grants](http://www.lynchburgva.gov/grants)), at community centers and other neighborhood anchors (i.e. schools, neighborhood health centers, and public housing agencies/complexes).

On January 8, 2013 City Council conducted a public hearing to receive citizen comments regarding the goals for the development of the Program Year 2013 (FY 2014) Annual Action Plan and adopt a resolution approving the goals. There were no public comments at this meeting. City Council approved the goals as presented.

The goals for the Program Year 2013 (FY 2014) Annual Action Plan are as follows:

The primary objective of the CDBG program is to continue to develop viable urban communities through decent housing, suitable living environments and expanded economic opportunities for low- and moderate-income persons; the City of Lynchburg supports assisting individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

### Housing Goals

- Increase the number of owner-occupied units.
- Rehabilitate substandard housing units. Emphasis is to be placed on programs that require an investment of funds and/or labor on the part of the owner commensurate with the owner's resources.
- Support initiatives to increase permanent affordable rental and housing ownership opportunities.
- Promote programs that assist eligible individuals in retaining their homes.

### Non-Housing Goals

- Eliminate neighborhood deterioration, blight and blighting influences.
- Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.
- Support economic development efforts which will expand job opportunities and retention.

- Promote activities which support the healthy development of the City's at-risk youth, adults and families.

The acceptance and application process for CDBG and HOME program funds for Program Year 2013 (FY 2014) began on January 14, 2013 and ended on January 28, 2013. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published in *The News and Advance* on January 14, 2013, indicating the acceptance of applications for funding programs, projects and activities under the CDBG and HOME Programs. The advertisement indicated the expected amount of funding for both programs. This public advertisement notice was posted on the City's web site, bulletin boards in City Hall, neighborhood community centers, the public libraries, and public housing complexes. City staff received five (5) applications for CDBG funding and six (6) applications for HOME funding.

CDAC conducted a public meeting on February 19, 2013 and received information from staff regarding the Annual Action Plan allocation of project funds. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published in *The News and Advance* on February 4, 2013 stating the purpose of this meeting was to review submitted CDBG and HOME Program applications and formulate recommendations for consideration by City Council regarding the allocation of entitlement and reprogrammable funds.

CDAC reviewed the applications, summary allocation worksheet, and the various requirements for the allocation of funds for administration, non-public service, public service and the HOME Program. CDAC members discussed and developed their recommendations for CDBG and HOME Program projects for Program Year 2013 (FY 2014). CDAC made recommendations to City Council for projects that they concluded would be most beneficial to the low and moderate income persons within the targeted neighborhoods and within the broad national goals established by HUD of providing decent housing, a suitable living environment and expanding economic opportunities. (See Appendix A for a copy of the CDAC meeting minutes.)

CDAC and the public that were present were advised that City Council would hold a public hearing on March 12, 2013 on the project recommendations of the CDAC.

On March 12, 2013 City Council conducted a public hearing to allow citizen input regarding the CDAC Annual Action Plan recommended projects. A public notice advertisement was placed in *The News and Advance* on February 25, 2013 advising the public of this hearing.

At the public hearing five (5) persons spoke to Council representing four (4) separate agencies and a member of the public. One (1) person addressed the HOME applications submitted by Lynchburg Neighborhood Development Foundation (LNDF); one (1) representative addressed the HOME applications submitted by Lynchburg Community Action Group (Lyn-CAG); one (1) person spoke in support of the HOME application submitted by Greater Lynchburg Habitat for Humanity (GLHFH); and one (1) representative addressed the CDBG applications submitted by the Lynchburg Redevelopment and Housing Authority (LRHA). A majority of the comments were in support of the CDAC recommendations and the benefits that the people they serve receive as a result of the HOME and CDBG funds recommended for allocations to the represented agencies. The LRHA representative asked Council to reconsider the recommendations of the CDAC for the Spot Blight Abatement and Rental Rehabilitation



Programs, and the Administrative and Delivery Costs. This representative stated that the recommendation would not be sufficient funding to operate the referenced programs. If funding was not increased then LRHA would be unable to continue the operation of these programs and would return the operations back to the City. There was one (1) member of the public who spoke addressing the need for CDBG funds to be allocated to service agencies and nonprofits in order to assist the working poor.

On March 26, 2013 the recommendations of CDAC and the comments made at the March 12, 2013 public hearing was discussed at the City Council work session. At this meeting, and prior to City Council's discussion of the CDAC recommendations, City staff presented a letter from the Lynchburg Redevelopment and Housing Authority's (LRHA) Board of Commissioners stating that there was \$85,000 of Program Year 2011 Spot Blight Abatement project funds that they wished to return to the City. In return LRHA requested that City Council consider allocating additional funds to the Administration and Delivery Costs and Rental Rehabilitation application requests. After review and discussion the final approval was given for the funding allocations for Program Year 2013 (FY 2014). LRHA's request was incorporated into the final allocations.

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On May 14, 2013 City Council will conduct a public hearing regarding the draft Action Plan that has been available for public review since April 13, 2013. Public comments will be incorporated into this document at the conclusion of the public hearing.

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## **Resources**

### **City Resources**

The following are the Federal, state, and local resources expected to be made available to address the needs identified in the Annual Action Plan.

City of Lynchburg, VA  
2010-2015 Consolidated Plan  
Program Year 2013 (FY 2014) Annual Action Plan

## **Federally-funded City Programs**

### **Shelter Plus Care Program**

The City of Lynchburg received \$320,700 in HUD funds in 2002 for the Shelter Plus Care (S+C) Program. This funding was provided for a five-year period. At the end of the five-year period, HUD granted a five-year extension to allow for additional housing units and the expenditure of the remainder of the original grant funds. Beginning in Fiscal Year 2010 HUD began awarding the S+C grants annually. For the Program Year 2013 (FY 2014) Annual Action Plan, there has been a one-year renewal grant that was issued in the amount of \$98,358.

The program provides rental assistance to approximately ten housing/household units. The overall goal of this grant is to identify homeless persons, ready for permanent housing, and offer additional time, financial assistance, and services to reinforce their own resources, skills and motivation to live independently and achieve self-sufficiency. The City conducts the program in collaboration with the Lynchburg Neighborhood Development Foundation (LNDF). Participants must be considered homeless, have a documented disability, and must cooperate with necessary services. LNDF secures the housing and provides services. Funds are received through the Supportive Housing Program.

### **Federal Housing Programs – Nonprofits Supportive Housing**

The following agencies will receive \$221,597 Continuum of Care funds through the Supportive Housing Program:

<b>Applicant</b>	<b>Project</b>	<b>Amount</b>
Lynchburg Community Action Group	The Family Living Center	\$ 44,665
Lynchburg Neighborhood Development Foundation	The Cornerstone	\$ 68,323
Miriam's House	Housing Management Information System	\$ 21,357
Miriam's House	Supportive Housing	\$ 87,252
	<b>Total:</b>	<b>\$ 221,597</b>

**Community Development Financial Institution (CDFI):** The U.S. Treasury has supported the development of financial institutions that primarily operate in distressed communities and offer credit and financial counseling or training to low- and moderate-income households. Lynchburg Community Loan Fund (LCLF) is a CDFI that provides housing loans in the form of subordinate mortgages for the purchase and repair of homes. The investment area includes the more blighted areas of the City of Lynchburg, and the target population is borrowers earning at or below 80% of the Area Median Income (AMI). LCLF received seed funds from a previous CDBG allocation and has provided loans to the target population.

Historically, the larger banking community has been major investors in CDFIs. This has been demonstrated in Lynchburg as several local banks offered long-term pledges of contributions to LCLF for its loans. As a non-profit CDFI, LCLF can obtain grant funds to reduce the cost of borrowing and further spread its resources. LCLF presently is developing a small/micro business loan program in response to an assessment of service area needs demonstrating challenges in access to credit and training resources for small business owners. The goal of the

program is to promote community growth and stability, as well as job creation, especially for low income individuals, by providing loans and related services to small/micro businesses in the City of Lynchburg and surrounding areas. Loans will be provided to finance materials, supplies, and inventory; working capital; machinery and equipment; commercial business vehicles; moving costs; and building improvements.

### **State Housing Programs**

State program funds are funneled to the City through other non-profit organizations, which assist with homeownership and weatherization of homes for low-income residents.

**Affordable Housing Preservation Program:** Funds from this flexible source distributed by the Virginia Department of Housing and Community Development (DHCD) have been used by several housing development agencies including Rush Homes and LNDF. Coupling these funds with other funds specifically directed to projects serving special needs populations has resulted in a significant increase in the number of accessible houses available in Lynchburg.

### **Private Equity Investment through Tax Credit Programs**

#### **Federal Low Income Housing Tax Credits (LIHTC)**

This source of financing for affordable housing development has been used in Lynchburg since the program's inception in the mid-1980s. Four completed LIHTC projects include Victoria Ridge, Hilltop Homes, College Hill Homes and Central City Homes. These four projects provided 113 affordable rental units through new construction, renovation and adaptive re-use of existing houses and buildings throughout Lynchburg's central city neighborhoods. In some cases, buildings were donated to the projects from LRHA, and the City invested HOME funds in each of these projects.

Victoria Ridge is an affordable housing development of 24 units for individuals with disabilities. There is \$3.1 million of LIHTC in this project. Of the 24 Tax Credit Assistance Program (TCAP) units, there is a subset of 11 HOME-assisted units which meet the HOME Program affordability and rent restrictions. The City provided \$183,525 of HOME Program funds for this project. The project has 12 units that are fully accessible units designed for individuals with disabilities whose rents are affordable at the tax credit limit and the HOME limit whichever is the least amount.

Hilltop Homes is an acquisition and rehabilitation project consisting of 12 existing buildings in a scattered site development which resulted in 24 affordable housing units. This project included approximately \$3 million in LIHTC, long-term financing and \$120,000 in HOME Program funds.

#### **Federal and State Historic Preservation Tax Credits**

Lynchburg is a historic city and one that, over a century ago, was the second wealthiest city in the country on a per-capita basis. It was a port and distribution center on the James River and its leadership was comprised of wealthy merchants. Therefore, the housing stock, especially in the older City, is of varied historic design and architecture. Preserving these buildings has not always been a City priority ;however, in recent years has taken on major significance. The Lynchburg Historical Foundation (LHF) is a non-profit organization that supports preservation efforts and works with local professionals and residents to maintain this important part of the City's history. LHF also works with other organizations such as Lynchburg College's Center for the History and Culture of Central Virginia to

research and develop the record of Lynchburg's past. As revitalization of the City's downtown continues, the momentum and preservation will be a critical issue in terms of construction and in terms of funds. Many local residents, businesses, and non-profit organizations have begun to use the federal and state historic tax credits and enterprise zone tax credits. The amount of investment from the sale of these credits has increased substantially since the State credits have become effective.

The investment opportunities in the development of historic properties in Virginia are two-fold. In addition to credits against federal income tax liability, investors can also seek credits against State income tax liability. A combined maximum of 25% of the cost of approved basis is available for tax credits under the State program and 20% is available under the Federal program. This incentive for investors to participate in the revitalization of the City, its downtown, and its residential neighborhoods is a positive boost to the City's renaissance.

### **New Market Tax Credits**

The City has benefited from equity investment as the private sector has utilized this mechanism for some downtown projects and for projects included in the vision of the Fifth Street Master Plan. The City has invested in the projects and supports the ongoing work of its partners to increase the private resources available to assist in implementing its plans.

### **Local Programs**

#### **City Code**

The City Code of Ordinances of the City of Lynchburg authorizes City Council to designate rehabilitation districts and to waive customer availability charges for connection to the water and sewer systems. Non-profit housing developers may petition Council for the above designation when redeveloping residential property for low- and moderate-income households. This program has been used by Habitat for Humanity in the past.

Real estate tax relief is available to the elderly and persons with disabilities earning \$30,000 or less per year, with a net worth of \$60,000 or less excluding the house in which they live.

The City may also exempt from real estate taxes for 15 years qualified properties in which the structure is 50 years of age or older and the improvements that are considered as substantial rehabilitation/renovation to the existing structure will increase the assessed value by 40 percent or more. For commercial or industrial real estate, the existing structure must be 25 years of age or older and the improvements to the existing structure will increase the assessed value by 60 percent or more.

There are also tax incentives provided to businesses that locate within the two designated enterprise zones.

### **Code Compliance**

The City Inspections and Code Compliance Division supports neighborhood revitalization by providing code enforcement of existing structures in need of repair, and the enforcement of the

abandoned vehicle program, the weed enforcement/inmate labor program, and the illegal dumping program. The goals of the program include strengthening cooperation between residents, businesses, religious organizations, non-profit agencies, and City departments to improve the livability of neighborhoods. One example of this type of collaboration exists in the creation of the Community Code Compliance Team originally chartered by City Council in 1997 as the Code Enforcement Task Force. The Team's purpose is to "develop and implement a coordinated and focused long term strategy to improve living conditions through consistent code enforcement, thereby facilitating a positive impact on the quality of life in Lynchburg". The Team conducts neighborhood walk-throughs addressing a variety of concerns including illegal dumping, overgrown yards, abandoned or inoperative motor vehicles, Property Maintenance Code violations, infrastructure, and other issues. The Team conducts walk-through inspections in various City neighborhoods. The walk-throughs include representatives from the neighborhood, as well as City Council, City Manager's Office, Community Development, Billings and Collections, Fire Marshal, Public Services, Police, City Attorney's Office, Social Services, Commissioner of the Revenue, and the Lynchburg Redevelopment and Housing Authority. City staff works with residents to identify concerns, as well as raise awareness of local codes and public maintenance needs (i.e. street lights and pot holes, etc.).

### **Private Resources**

Greater Lynchburg Habitat for Humanity provides new single-family housing for purchase by low- and moderate-income families. Habitat has constructed over 280 such houses to date using mostly private donations and significant support from churches and faith communities. The City continues to provide HOME Program funds to Habitat who serves the low- and very low-income population and provides the opportunity for them to purchase a home. The City continues to encourage Habitat to renovate historic homes in the targeted area. This preserves the fabric of the City's historic neighborhoods and prevents further deterioration and vacancy in these areas.

The City will continue to cooperate with local non-profits, neighborhood groups, and others to address obstacles to meeting underserved need, foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop institutional structures, enhance coordination between public and private housing and social service agencies, and foster public housing improvements and resident initiatives. Agencies and groups that coordinate this effort are the LNDF, Rebuilding Together Lynchburg, Housing and Homeless Coalition, Lyn-CAG, LRHA, Community Code Compliance Team, and the Lynchburg Department of Social Services.

According to LRHA's 2013-2017 Public Housing Authority Plan (PHAP) the estimated amount of Section 8 Tenant-Based Rental Assistance for Calendar Year 2013 is \$3,787,832.

Lynchburg Neighborhood Development Foundation (LNDF) received \$1 million in Neighborhood Stabilization Program (NSP) funds to leverage and address priority needs in Calendar Year 2010. Subsequently, LNDF and three other housing partners have been involved in acquiring, renovating, and selling or renting 13 foreclosed properties under this Program. Twelve of the projects have been completed and LNDF is in the process of completing the rehabilitation of the last house. LNDF is considering an additional acquisition within the parameters of NSP.



## Annual Objectives

Goals and objectives to be carried out during the action plan period are indicated by placing a check in the following boxes.

<input checked="" type="checkbox"/>	<b>Objective Category Decent Housing</b> Which includes:	<input checked="" type="checkbox"/>	<b>Objective Category: Suitable Living Environment</b> Which includes:	<input checked="" type="checkbox"/>	<b>Objective Category: Expanded Economic Opportunities</b> Which includes:
<input checked="" type="checkbox"/>	assisting homeless persons in obtaining affordable housing	<input checked="" type="checkbox"/>	improving the safety and livability of neighborhoods	<input type="checkbox"/>	job creation and retention
<input checked="" type="checkbox"/>	assisting persons at risk of becoming homeless	<input checked="" type="checkbox"/>	eliminating blighting influences and the deterioration of property and facilities	<input type="checkbox"/>	establishment, stabilization and expansion of small business (including micro-businesses)
<input checked="" type="checkbox"/>	retaining the affordable housing stock	<input checked="" type="checkbox"/>	increasing the access to quality public and private facilities	<input type="checkbox"/>	the provision of public services concerned with employment
<input checked="" type="checkbox"/>	increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability	<input checked="" type="checkbox"/>	reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	<input checked="" type="checkbox"/>	the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
<input checked="" type="checkbox"/>	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence	<input checked="" type="checkbox"/>	restoring and preserving properties of special historic, architectural, or aesthetic value	<input checked="" type="checkbox"/>	availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
<input checked="" type="checkbox"/>	providing affordable housing that is accessible to job opportunities	<input checked="" type="checkbox"/>	conserving energy resources and use of renewable energy sources	<input checked="" type="checkbox"/>	access to capital and credit for development activities that promote the long-term economic social viability of the community

The City of Lynchburg will use an estimated \$360,912 of its CDBG allocation and \$247,647 of its HOME Program allocation to fund activities that benefit low-to-moderate income persons.

As stated in the Consolidated Plan, in March 2006, HUD issued the "Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs." The HUD Outcome Measurement System includes Objectives, Outcome Measures and Indicators. The City must choose one of the three objectives and Outcomes for each activity. In identifying the outcome/objective, HUD has developed a numbering system that ties to the CPD Performance Measurement System (PMS).

The Housing Objective category is:

**Provide Decent Housing.** Activities that are categorized in this objective are designed to cover the wide range of housing activities under CDBG and HOME. The objective focuses on housing programs where the purpose of the program is to meet individual, family or community needs.

The three Outcome categories for housing are:

1. **Availability/Accessibility**. Applies to activities that make service, infrastructure, public service, public facilities, housing, or shelter available or accessible to low and moderate-income persons including persons with disabilities. Accessibility does not only refer to physical barriers, but also to making the basic of daily living available and accessible to low- and moderate-income persons who live in the housing unit or use the facility.
2. **Affordability**. Applies to activities that provide affordability in various ways in the lives of low- and moderate-income persons. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
3. **Sustainability**. Promoting Livable or Viable Communities. Applies to activities that focus on improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain the communities or neighborhoods.

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the Program Year 2013 (FY 2014) Annual Action Plan to promote the development, sustainability and suitability of housing and fair housing within the community:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3

#### Housing Ownership and Rehabilitation

PROGRAM	ANNUAL ACTION PLAN GOALS
	2013 (FY 2014)
Homeownership-Owner-occupied (CHDO) (DH-1)	Lynchburg Community Action Group (Lyn-CAG) plans to acquire and rehabilitate one (1) housing structure for sale to a low-to-moderate income person through the use of Community Housing Development Organization (CHDO) HOME Program funds
Homeownership-Homebuyer (DH-1)	Lynchburg Neighborhood Development Foundation (LNDF) plans to provide down payment assistance to three (3) homebuyers and develop one (1) single-family housing structure for a low-to-moderate income person; Greater Lynchburg Habitat for Humanity (GLHFH) plans to provide down payment assistance to four (4) homebuyers
Homeownership-Retention/Housing Rehabilitation (DH-2)	Lyn-CAG plans to rehabilitate four (4) housing units to allow the homeowners to retain their homes

The City of Lynchburg supports assisting individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

The overarching strategy for accomplishing the housing goals of the City is to conduct activities that complement and enhance the work being done by City departments and their partners using the various sources of public and private funding available.

The two objective categories for Community Development are:

1. **Creating Suitable Living Environment**. Relates to activities that are designed to benefit communities/neighborhoods, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor quality infrastructure to social issues such as crime prevention, literacy, or elderly health services.
2. **Creating Economic Opportunities**. Applicable to activities that are related to economic development, commercial revitalization or job creation.

The three Outcome categories are:

1. **Availability/Accessibility**. Applies to activities that make service, infrastructure, public service, public facilities, housing, or shelter available or accessible to low and moderate-income persons, including persons with disabilities. Accessibility does not only refer to physical barriers, but also to making the basic of daily living available and accessible to low- and moderate-income persons who live in the housing unit or use the facility.
2. **Affordability**. Applies to activities that provide affordability in various ways in the lives of low- and moderate-income persons. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
3. **Sustainability**. Promoting Livable or Viable Communities. Applies to activities that focus on improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain the communities or neighborhoods.

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the Program Year 2013 (FY 2014) Annual Action Plan to meet the community development needs of the citizens.

	Availability/Accessibility	Affordability	Sustainability
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

#### Support of Neighborhoods

PROGRAM	ANNUAL ACTION PLAN GOALS
	2013 (FY 2014)
Neighborhood/Community Meetings (SL-1)	Five (5) neighborhood walk-through meetings planned by Community Code Compliance Team

Infrastructure Improvements (SL-1) (Fifth Street-Phase III)	Fifth Street Master Plan Project - Streetscape improvements south between Jackson and Taylor Streets
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#### Economic Development Efforts

PROGRAM	ANNUAL ACTION PLAN GOALS
	2013 (FY 2014)
Enterprise Zone (EO-3) (Maintain current zone designations)	The City plans to maintain Zone #2 (includes CDBG Target Census Tract areas) and Zone #46 (Old Forest Road & Lakeside Drive area).
Downtown Redevelopment Improvements (EO-3) (Phase II & III – Lower Bluffwalk-Jefferson Street)	Infrastructure improvements to include the construction of a pedestrian-scaled street, ADA compliant walkway, and streetscape improvements.

#### Residential Rental Property Inspections Program and Property Maintenance Inspections

PROGRAM	ANNUAL ACTION PLAN GOALS
	2013 (FY 2014)
Rental Property Inspections (SL-3)	The Code Compliance Division of the Community Development Department plans on completing 508 rental property inspections
Property Maintenance Inspections (SL-3)	The Code Compliance Division of the Community Development Department plans on completing 3,140 property maintenance inspections

#### Code Enforcement

PROGRAM	ANNUAL ACTION PLAN GOALS
	2013 (FY 2014)
Weed Ordinance- Property Clearance (SL-3); Removal of Abandoned Vehicles (SL-3)	The Code Compliance Division of the Community Development Department plans to complete 1,750 complaint-based Neighborhood Services inspections which address weeds and abandoned vehicles

## Description of Activities

For the Fourth Year (Program Year 2013/FY 2014) of the 2010-2015 Consolidated Plan, the City will receive an estimated \$607,280 in CDBG entitlement funds and \$269,647 in HOME program funds. Along with these funds, reprogrammed funds, and program income (\$158,812) the following projects will be implemented:

### CDBG Program

Bluffwalk Section 108	\$ 284,048.00
City Administration	88,100.00
5 <sup>th</sup> Street CDC Phase III – City	175,491.89
Tinbridge Hill Neighborhood	45,000.00
Lynchburg Redevelopment and Housing Authority (LRHA) Administration	24,856.00
LRHA Delivery Costs – Rehabilitation	23,878.00
LRHA Rental Rehabilitation	30,000.00
LRHA Delivery Costs – Acquisition	50,725.00
LRHA Delivery Costs – Disposition	35,818.00
Total CDBG	\$ 757,915.89

### HOME Program

City Administration	\$ 22,000.00
Greater Lynchburg Habitat for Humanity (GLHFH)	60,000.00
LNDF Homeownership Fund	30,000.00
Lynchburg Community Action Group (Lyn-CAG) Substantial Rehab	75,000.00
Lyn-CAG Homebuyer (Community Housing Development Organization (CHDO)	40,823.00
Lynchburg Neighborhood Development Foundation (LNDF) Single Family Housing Development	50,000.00
Total HOME	\$ 277,823.00

## Summary of Program Year 2013 (FY 2014) CDBG and HOME Activities

The following Summary of Activities provides a narrative description of each activity to be funded through the Annual Action Plan. The summary identifies the agency or organization to be funded, the amount of the award, the activities to be undertaken, and if known, the location of the project.



## **Community Development Block Grant (CDBG) Activities**

The City of Lynchburg will have available \$1,035,739 in CDBG funds to support administrative and service delivery operations, housing, community development, and economic development, activities for twelve (12) projects and activities.

**Section 108 Loan (Bluff Walk)** - A total of \$284,048 in CDBG funds has been set aside for debt repayment on the Section 108 Loan to the Bluff Walk Center.

In June 2003, the City of Lynchburg was awarded a Section 108 Loan in the amount of \$3.2 million for the Bluff Walk Center - a boutique hotel, upscale restaurant, microbrewery, and conference center that opened in the spring of 2007. This \$23 million dollar renovation project added new permanent full-time positions, stimulated additional public and private investment, and serves as a tourist attraction in the City.

The Center is one of the major redevelopment projects included in the Downtown Riverfront Master Plan 2000. The purpose of creating the Master Plan was to restore the economic vitality and dignity of our once prosperous downtown, riverfront and surrounding neighborhoods. The City's downtown and surrounding neighborhoods have significant blighting conditions and have officially been determined by HUD as a slum and blighted area since the 1970's.

Funding is reserved to make principal and interest payments on this property in the event the owner cannot make the payment. This is in compliance with a commitment approved by City Council on January 29, 2002.

**Program Administration (City)** - The City will use \$88,100 of its CDBG allocation for the payment of reasonable administrative charges related to the planning and execution of community development activities. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the CDBG and HOME Programs.

**Fifth Street Community Development Corporation (CDC)** - The City has allocated \$175,491 in CDBG funds for continued improvements as outlined in the Fifth Street Master Plan for neighborhood stabilization. The funding would be leveraged with City Capital funding for Phase III, which would install streetscape improvements from Jackson Street to Taylor Street. The work would progress in conjunction with planned water/sewer line upgrades.

The Fifth Street Master Plan was adopted by City Council on May 23, 2006. The Plan establishes the Vision for a rehabilitated and revitalized corridor that serves the needs of the surrounding neighborhoods. The 2010 Census indicates that 77% of the residents in the immediate study area are African American and indicated that 49% of the individuals have an annual income below \$15,000. The City has committed CDBG, and Capital funds to improve the streetscape over three phases. Phase I was completed in September 2009 and included the construction of water and sewer lines in addition to a modern urban roundabout and complimentary streetscape between Jackson & Harrison Streets. Phase II is currently under construction and will contain the same underground utility upgrades and streetscape improvements as Phase I. Phase II extends from Harrison Street to Main Street. Phase III

would extend streetscape improvements south between Jackson and Taylor Streets and finish streetscape improvements as recommended in the Master Plan.

The Fifth Street Corridor is seeing considerable private development interest as a result of the streetscape improvements. The Red Shoe Dance Academy located at 409 Fifth Street opened in the renovated Moser Furniture Building in 2012. The former Fisher Auto Parts Buildings located at 400-408 Fifth Street and the former Coiner Auto Parts Building at 500 Fifth Street are currently under renovation; 702 – 708 Fifth Street are also under renovation; the Lynchburg Housing and Redevelopment Authority is working with private entities to develop 701 – 709 Fifth Street; and Word Works Literacy Centre located at 801 Fifth Street opened in late 2012.

**Tinbridge Hill Neighborhood Council** - The City has allocated \$45,000 in CDBG funds for Lynchburg Community Action Group (Lyn-CAG) to continue to provide substantial housing rehabilitation in Tinbridge Hill. Lyn-CAG plans to rehabilitate one (1) housing unit with the allocated funds. The housing stock in Tinbridge Hill is dated and upgrades to improve energy efficiency are necessary for the long-term viability of the neighborhood and for funds to be used by the Department of Parks and Recreation to secure access easements for a future trail connection.

The Tinbridge Hill Neighborhood Council (THNC), in partnership with the City of Lynchburg, and supported by the Friends of Tinbridge Hill (FTH), propose continued funding for a long-term, targeted investment of CDBG funds into Tinbridge Hill to assist its residents and community stakeholders in accomplishing their goals and develop a model for a sustainable neighborhood. This proposal has two purposes: The first is to continue the development of a Sustainable Neighborhood Strategy, using Tinbridge Hill as a model, incorporating elements of Lynchburg's Sustainable City Initiative that can be applied to other Lynchburg neighborhoods. The elements of the Sustainable City Initiative include Arts and Culture, Citizen Engagement and Social Capital, Economic Development, Infrastructure, Healthy and Active Living, Land Use, Lifelong Learning, Natural and Environmental Resources, Neighborhoods, Safe Community and Transportation. The second is to request funding for the City partnership with the Tinbridge Hill Neighborhood Council for the third year of this multi-year project. This project is an interactive process that engages residents, partners and various stakeholders in defining the components to promote the sustainability of this neighborhood.

This proposal builds on the 1996 Tinbridge Hill Plan, a neighborhood satisfaction survey conducted by Randolph College students in 2011 of Tinbridge Hill residents and input received from recent neighborhood engagement meetings. The projects identified in this proposal for year three of this program complement the ongoing neighborhood planning element with a focus on housing rehabilitation and acquisition of access easements for a trail connection. In addition to these activities, neighborhood participation and building capacity in the neighborhood continue to be part of the process.

**Program Administration (Lynchburg Redevelopment and Housing Authority-LRHA)** – This agency has been awarded \$24,856 in CDBG funds to provide for the payment of the pro-rata share of salaries, benefits, travel and operating costs attributable to employees' duties associated with the CDBG program as outlined in the Authority's annual administrative budget.

**Lynchburg Redevelopment and Housing Authority (LRHA): Delivery – Rehabilitation** -The City has allocated \$23,878 of CDBG funds for direct service costs associated with identifying and monitoring spot blight properties and coordinating rehabilitation activities with owners.

**Lynchburg Redevelopment & Housing Authority (LRHA) – Delivery Costs - Acquisition** - The City has allocated \$50,725 in CDBG funds for direct costs associated with the properties that will be acquired in the Spot Blight Program. These costs will include property maintenance and coordinating work with appraisers and legal counsel under contract with LRHA.

**Lynchburg Redevelopment & Housing Authority – Delivery Costs – Disposition** - The City has allocated \$35,818 in CDBG funds for direct property maintenance costs associated with previously-acquired properties until such time as disposition of the properties occur.

**Lynchburg Redevelopment and Housing Authority (LRHA) – Rental Rehabilitation** -The City awarded \$30,000 of CDBG funds for the Rental Rehabilitation Program at LRHA. These funds will be used to provide grants to owners to rehabilitate six (6) houses.

This program issues grants to owners of rental properties that are located within the City's Rental Inspection Area. This area includes Census Tracts 4, 5,6,7,11,12 and 13. The property must have property maintenance code violations cited by the City or have Housing Quality Standards deficiencies. The grant will also be available to owners who are providing energy upgrades and or accessibility compliance. The grant is a fifty percent matching grant with a maximum per unit of \$5,000. The end result of this program allows owners to provide improved living conditions and lower energy cost to low income families. Additionally, it results in the elimination of blighted properties creating improved living standards for the entire neighborhood.

## **HOME ACTIVITIES**

The City of Lynchburg will have available \$277,823 in HOME program funds to support housing activities during Program Year 2013 (FY 2014). Five (5) projects have been allocated funding for HOME eligible activities. The City has designated 16% of the entitlement funds for one (1) Community Housing Development Organization (CHDO) project.

**Greater Lynchburg Habitat for Humanity (GLHFH) – Homeownership Program** – The City has allocated \$60,000 in HOME Program funds to GLHFH for down payment assistance to low-income families. GLHFH plans to assist four (4) home buyers.

Greater Lynchburg Habitat for Humanity (GLHFH) develops homeownership opportunities for low-income families that would not qualify or be able to afford homeownership through conventional bank mortgages. GLHFH builds good quality, moderately appointed homes and sells them to qualified applicants. The target population for the program is families whose income falls in the range of 30% to 80% of HUD's median family income, adjusted for size of family. To qualify, families must demonstrate need (residing in poor, unsafe, unhealthy, and/or unaffordable housing); they must have the ability to pay a no-interest mortgage (must have a steady income and low debt to income ratio); and must be willing to partner with GLHFH (provide sweat equity, participate in training, and prepare for the responsibilities of homeownership).

GLHFH solicits funding, materials, and volunteer labor from the community and is thereby allowing the organization the ability to maintain low construction costs. GLHFH is therefore able to sell the home to the qualified family at cost and to offer a no-interest mortgage loan. Families have to provide 300 hours of labor, referred to as “sweat equity,” to the project. The mortgagees must attend GLHFH’s course designed to prepare them for homeownership. The series of classes provide education about financial literacy, budgeting, home maintenance, taxes and insurance, predatory lending, and loss mitigation options.

At mortgage closing, the family is required to pay a processing fee of \$400.00 which is applied to the attorney’s fee and recording costs. GLHFH will use HOME funds to pay for advance escrow required (taxes and insurance) and for down payment assistance which will reduce the principal balance so that the family can afford the monthly mortgage payments. GLHFH defines “payment affordability” as not more than 30% of monthly income.

**Lynchburg Neighborhood Development Foundation (LNDF)–Homeownership Fund** - This organization and program has been awarded \$30,000 in HOME program funds to provide affordable mortgage financing assistance for three (3) low-to-moderate income persons and ultimately homeownership for these persons.

Lynchburg Homeownership Fund is a combination of programs administered by LNDF that seek to create and support homeownership. This philosophy has been an essential part of LNDF’s mission and incorporates blended multi-layered financing from City and State sources along with private mortgages from conventional lenders and buyer’s cash investment. This application seeks to continue to blend City HOME funds in the mortgages offered to low- and moderate-income borrowers.

LNDF’s affordable mortgages consist of a 30-year, fixed rate first mortgage at below-market interest rates and additional subordinate mortgages at low rates or forgiven over time. These mechanisms help with making the mortgage affordable, but most often additional soft loans are needed as well. As the economy has driven conventional mortgage rates down, VHDA, our primary source of first mortgage loans, is rethinking its program in order to let the private sector handle the originating loan.

LNDF has brought more than \$16 million into the region for this purpose, creating more than 250 new homeowners in the City and throughout the planning district, as well as assisting several hundred others achieve their housing goals through other means.

**Lynchburg Community Action Group (Lyn-CAG) Rehabilitation Program** -The \$75,000 in HOME funds will be used for eligible repair and rehabilitation of owner-occupied housing. Lyn-CAG projects that two (2) low-to-moderate income homeowners will be served with substantial rehabilitation funds from the HOME Program funds and the State Department of Housing and Community Development (DHCD). These properties are located at 115 Yeardley Avenue and 208 Ash Street.

The Homeowner Substantial Rehabilitation Program provides substantial rehabilitation for eligible low-to-moderate income owned properties. The Program is designed to remove health and safety hazards and code violations from the homes of low-income homeowners who live in the City of Lynchburg and meet HUD income guidelines for HOME programs. Typical requests for services include electrical, plumbing, structural and roof repair/replacement. All local

contractors who provide the services are licensed and insured. Building materials are purchased from local businesses.

### **Lynchburg Community Action Group (Lyn-CAG – CHDO) – First-time Homebuyers**

**Program** – The \$40,823 in HOME Program funds will be used for labor/material and developer's fee to assist with the acquisition and rehabilitation of one housing structure for a low-to-moderate income family.

The Home/Community Housing Development Organization (CHDO) First Time Homebuyers Program provides for acquisition of vacant properties for rehabilitation or new construction to eligible first time homebuyers. Proceeds from the sale of properties are reinvested in housing program services that benefit eligible low-to-moderate income persons. This program provides a level of subsidy to keep the property affordable for low-to-moderate income families.

### **Lynchburg Neighborhood Development Foundation (LNDF) – Single-Family Development**

This organization and program has been awarded \$50,000 in HOME Program funds to provide assistance for the development of two (2) housing structures for low-to-moderate income families.

This program is a continuation of the years of single-family development undertaken by LNDF. With this request, LNDF proposes to develop two (2) houses for resale to HOME-eligible borrowers in the City. Since quality housing may cost more to develop than the neighborhood market can support in light of economic factors, subsidies are needed to defray costs and make financing accessible for low- and moderate-income borrowers. Financing for these newly developed homes will continue to be packaged by LNDF and made available through its affordable mortgage programs.

**The Annual Action Plan includes the Project Worksheets that list the Objective and Outcome for each of the projects. (Attachment A)**

## **Geographic Distribution/Allocation Priorities**

### **Geographic Distribution of Assistance**

According to the 2010 Census, the population in Lynchburg is 75,568 and the Metropolitan Statistical Area (MSA) is 252,634. White citizens account for 64% of the City's population, African-American citizens account for 29%, and the remaining 7% is made up of two or more races. The Hispanic/Latino population is at 3%.

The median household income in 2010 was \$37,058 and the number of persons below poverty is 22.7% of the population. This is an increase of approximately 15% more than that of the 2000 Census. This compares to an average income range of \$15,000 - \$25,000 in the target census tracts. Incomes in these neighborhoods are significantly lower than incomes city-wide. A disproportionate number of non-whites live in the target market (69.5%) while the city-wide non-white population is 36% of the population.



Minorities in Lynchburg tend to be concentrated in the older portion of the City that is identified as Census Tracts 4, 5, 6, 7, 11, and 19. Minority concentration is defined as a census tract with a minority population of greater than 40%. This area corresponds to the area where a majority of persons are low and moderate-income as defined by the United States Department of Housing and Urban Development (HUD) and are the Census Tracts in which the Community Development Block Grant (CDBG) and HOME funds are distributed in the Annual Action Plan. (See Appendix B– Targeted Census Tract Map and Project Location Map.)

## **Basis for Allocating Investments**

The City of Lynchburg's Consolidated Action Plan draws attention to the housing needs and services in six contiguous census tracts that comprise the CDBG targeted area: Census Tracts 4, 5, 6, 7, 11, and 19 (Tracts 12 and 13 from Census 2000 were combined in Census 2010). This area comprises the central city neighborhoods of Lynchburg that surround the Downtown Central Business District. Demographics and surveys in these neighborhoods indicate that this is where the highest degree of housing problems exists, where the most blight is observed, and where most of the City's low- and low-to-moderate-income persons reside.

These targeted census tracts were selected for concentrated assistance because of their high levels of low-to-moderate income residents and because of their distinct need for housing revitalization and development/redevelopment due to long-term neglect.

The City continues to focus on increasing homeownership and neighborhood stability, through the construction and sale of new housing on formerly abandoned vacant lots, the rehabilitation and sale of vacant houses and through rehabilitation assistance to owner-occupied housing for low and moderate income households.

The City, through the HOME Program, provides funds for down payment assistance and principal reduction assistance to ensure affordability.

In addition, the City plans to use the CDBG and HOME Program funds to address the housing needs of low and moderate-income households. The funds will be used to help low- and moderate-income homeowners through minor and substantial home renovations that would help to maintain safety and increase energy efficiency and functionality in older homes. This provision helps to fulfill the needs of not only the low- to moderate-income homeowner, but also the elderly homeowner, where, in both cases, homeowners often delay investing in necessary rehabilitation due to the expense involved in repairing or renovating their home.

## **Annual Affordable Housing Goals**

The goals identified by City Council form the housing priorities for the Annual Action Plan and guide the direction of City funds and other available resources. The following are the goals and allocation priorities to reach them:

### **Increase the number of owner-occupied units**

The City supports and encourages owner-occupied housing units within distressed neighborhoods. The City's Comprehensive Plan states that a range of housing options is desirable but a greater proportion of owner-occupied housing is determined to create more stable neighborhoods as personal investment in long-range trends is stronger.

City of Lynchburg, VA  
2010-2015 Consolidated Plan  
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The 2010 Census reported 53% of the City's occupied housing units were owner-occupied, compared with 47% rental units.

This represents a slight increase in the owner-occupied units city-wide. A corresponding increase was also identified in the census tracts that make up the target market. However, the ratio of owner-occupied units to rental units is lower than in more stable areas of the City, or than in other parts of the country. Efforts to build attractive markets for homeownership in the neighborhoods surrounding downtown is a necessary part of this undertaking.

In order to achieve long-term stability and investment in City neighborhoods, homebuyers must be encouraged to purchase in these areas. This will entail incremental strategies that include working with developers, banks, and others to take collaborative action to achieve the goal of improving and retaining owner-occupancy and housing conditions for existing homeowners. With limited government resources, the City believes the participation of the private, for-profit sector is necessary, with government involvement limited to leveraging other resources with CDBG and HOME dollars for those low- and moderate-income households, which require more assistance in order to become owners.

Additional strategies include: (1) support of new and rehabilitated housing for ownership in a wide range of prices; (2) encourage developers, banks, and homeowners to take individual action in this regard; and (3) provide incentives for buyers and homeowners to invest a portion of personal funds into the project; and (4) assisting service providers to develop full-service housing counseling programs, including a homebuyers' club to develop qualified new purchasers. As a related matter, the City believes that the buyer should enter the process with some equity to minimize the need for subsidy and to spread City investment as broadly as possible.

**Rehabilitate substandard housing units. Emphasis is to be placed on programs that require an investment of funds and/or labor on the part of the owner commensurate with the owner's resources.**

The City's Comprehensive Plan identified housing deficiencies in nearly 3,500 rental properties and 1,460 owner-occupied properties. The City's goal to make all housing safe, decent, and affordable will require that a variety of strategies be implemented simultaneously over the next five years and notably within this Annual Action Plan. One strategy is to support financial mechanisms and incentives that encourage individuals in their efforts to repair and keep their homes and properties in good condition. To the extent feasible, owners should provide their own resources so that limited government funds will be spread to the maximum number of houses.

Another strategy is to extend some assistance programs to private landlords as well as homeowners. As business owners, these landlords are responsible for providing a quality product to the public, i.e. renting out only those properties which comply with the International Building Code. Landlords who do not correct Code violations within a 30-day time frame will be denied a Certificate of Occupancy for those units, and therefore, cannot legally rent them out. Potential loss of rental income provides a direct incentive for the landlord to correct the problems. The City is taking a proactive rather than a

reactive approach to prevent the further decline of the targeted neighborhoods. The LRHA Rental Rehabilitation Program has received in the past and has been allocated CDBG funds in Program Year 2013 (FY 2014) to address observed and eligible repairs according to this strategy.

Clearly, collaboration with other public and private resources is necessary. The primary home-repair agencies, Lyn-CAG and Rebuilding Together Lynchburg (RTL), will continue their owner-occupied home repair programs in order to assist the City in achieving its goal.

Strategies will include City support of resident education and training programs that: (1) identify rights and responsibilities of residents; (2) provide skills in home maintenance and upkeep; and (3) support individuals seeking to improve their housing situations.

The City's Residential Rental Property Inspections Program will continue to be a key strategy through the routine inspections of all rental properties throughout the City. In March 2005, City Council unanimously approved a new ordinance focusing on property maintenance of rental housing. This ordinance requires owners of rental property to register any rental unit in the CDBG-targeted area and confirm that the unit complies with the Property Maintenance Code of the Uniform Statewide Building Code (USBC). The City's Comprehensive Plan states that it will explore the effectiveness of incentives that encourage the rehabilitation of older rental properties, or possibly develop an awards program to recognize quality rehabilitation and maintenance of rental properties.

City funds will be made available for other housing providers, combining these with investment resources, such as the Low Income Housing Tax Credits program, which can be expanded to increase the stock of safe and affordable housing. However, the City's support of such equity investment for low-income rental units is limited to renovation of existing buildings so that the current stock of housing and structures appropriate for adaptive reuse can be exhausted before new units are constructed.

Acquisition and donation of vacant, blighted properties, by the City and LRHA, and the subsequent transfer to non-profits to develop affordable housing, both rental and owner-occupied, will continue and be expanded, as will the support of Lyn-CAG and other organizations that provide assistance to low-income owners.

### **Support initiatives to increase permanent affordable rental and housing ownership opportunities.**

The City supports the national priority to increase the homeownership rate, particularly for low- or moderate-income families. Homeownership promotes stable neighborhoods and an increased sense of community along with personal financial investment. Owning a home is usually the largest investment, and largest asset, of most households. Data reveals that homeowners are less likely to experience housing problems (substandard conditions, cost-burdens) than renting families. There are several public and private efforts ongoing in the City to attract more first-time buyers by offering various incentives. The City's Comprehensive Plan states that the City will foster and expand relationships with local lenders to develop partnerships for first-time home-buyers.

In order to increase homeownership, the City must be prepared to assist families who are unable to meet the entrance profiles for conventional lending but are still credit-worthy and able to meet their financial obligations. The City will need to partner with lenders and/or support alternative lending opportunities, by investing subsidies into the financing. The following are strategies that have been successful in Lynchburg and other places in meeting this priority: (1) continued and increased collaboration with area non-profit agencies, through the distribution of HOME and CDBG program funds; (2) expanded partnerships in the private sector, including corporate and banking sponsorship of homebuyer initiatives; and (3) new incentives to support private developers who build/renovate affordable single-family homes.

These strategies include exploring other public and private funding programs throughout the country to see if they can form models for us to maximize the available loan programs for first-time homebuyers. The use of CDBG and HOME funds to adjust market factors that sometime prohibit credit-worthy homebuyers from access to mainstream lending programs will make a difference in making new homeowners.

Moderate-income renters are an obvious target market for some of these programs. Most moderate-income persons could purchase a suitable house through programs that provide assistance in the form of lower interest rates and flexible loans for down payments and closing costs. City partners, such as LNDF, LRHA, Lyn-CAG, and Greater Lynchburg Habitat for Humanity (GLHFH), share this goal and offer several homeownership programs to meet the needs of the City's low income families.

The need for permanent housing for homeless, the disabled, and those with special needs is documented in the Continuum of Care. The scope of the Continuum is regional and therefore, the City's desire is to support permanent housing development throughout the Central Virginia Planning District (Planning District 11). All persons in the region should have housing choices and assistance available.

Special needs populations include, but are not limited to, persons who are mentally ill, mentally disabled, physically disabled, and substance abusers/addicts, have AIDS, are homeless, and are elderly and in need of supportive housing. This population is spread throughout the region, but many of the supportive resources are located in the City of Lynchburg. Increased support of regional homeless and special needs facilities and services, such as the regional Disabilities Services Board, will continue to be specific objectives of the City. Another objective will be to improve regional transportation, especially for persons with special needs so as to maximize access to limited resources.

**Promote programs that assist eligible individuals in retaining their homes.**

The review of promising programs to address the challenges facing low-income families living in distressed neighborhoods reveals three key themes: (1) Earnings and asset development programs are used to increase the economic self-sufficiency of low-income families and include: place-based employment programs, a focus on "good jobs," the use of work incentives, programs that promote banking, car and home ownership, and the use of the Earned Income Tax Credit; (2) Family strengthening programs are used to improve health and educational outcomes, as well as link families to needed support and benefit services and include: nurse home visitation, parenting education, early childhood educational programs, and facilitating the receipt of support services; and (3) Neighborhood

strengthening programs are used to improve features of the neighborhood, collaboration among service providers, and resident involvement in neighborhood affairs and include: the use of community development corporations, comprehensive community initiatives and community organizing strategies.

Whether they originate from federal programs, such as HOME or CDBG, or local sources, such as housing trust funds or housing bonds, local or state governments are generally the source for the subsidies that make homes affordable to low- and moderate-income families. These subsidies generally cover the difference between what it costs to develop the home and the purchase price that families in the targeted income range can afford and retain once purchased.

The City will continue to support homeowner rehabilitation programs and homebuyer programs that provide interest write-down loans to make the home affordable and allow homebuyers/homeowners to retain their home in challenging economic times.

### **Non-homeless Special Needs**

The City is fortunate to have several resources through which services are delivered to the community. Some of these receive funding from the public sources, such as federal and state grants. Others are private activities operating solely with donated funds from the private sector. In all cases, the City encourages this work and relies on it to complement its social service functions to City residents. The following describes a few programs and lists others that are active in the City.

The Johnson Community Health Center (JCHC), a full-service medical facility has been designated a federally-qualified Community Health Center and recipient of significant federal grants. Several years ago CENTRA created JCHC with funds from its Foundation to meet the observed and severe primary health care needs of the community, especially those of low-income. CENTRA invested more than \$1 million to build and staff JCHC and provided ongoing support through the Foundation to continue its progress. When seeking the federal qualifications, JCHC split from CENTRA and established itself as a separate organization with more than 50% of its Board of Directors coming from patients at JCHC. The goals of JCHC have been met and it continues to expand to meet health needs in Lynchburg and the surrounding region.

Security concerns in multi-family housing are addressed by LRHA, who employs a security company to provide security to all four public housing complexes. The security guards who are employed work closely with the Lynchburg Police Department to make sure all Police Department policies are followed. This successful collaboration has allowed LRHA to quickly respond to illegal activity and enforce the "One Strike You're Out" policy and stop undesirable tenant activity.

Numerous civic groups provide gifts of volunteer time and money to assist low-income persons. The YWCA-Downtown Branch offers transitional housing for battered women, along with permanent housing above their offices, located in downtown. The ARC of Central Virginia provides enhanced physical and occupational therapy, supported employment, communication facilitation, and nursing care to individuals with mental retardation. The Lynchburg Area Center for Independent Living, Inc. is a private non-profit, non-residential consumer driven organization



that promotes the efforts of persons with disabilities to live independently in the community and supports the efforts of the community to be open and accessible to all citizens.

In addition to the multiple public and private agencies providing supportive services to low-income citizens, the City currently operates a Citizens First Information Center phone hotline that coordinates with the United Way-sponsored Information and Referral Hot Line to inform citizens of available services.

## **Public Housing**

LRHA's efforts over the next year will be to continue to increase the awareness of the community of existing assistance programs, to attract more landlords to participate in the Section 8 Housing Choice Voucher Program and continue to work in partnership with other local housing providers such as Lyn-CAG, LNDF, and GLHFH. LRHA will continue to work with Rush Homes to provide assistance needed for physically and mentally challenged applicants. These efforts are expanded by working closely with the Lynchburg Area Center for Independent Living (LACIL).

LRHA will continue to work with the YWCA Domestic Violence Program and Miriam's House in following the Violence Against Women Act (VAWA) by assisting women who have been in domestic violence situations placed in safe, decent, affordable housing. A cooperative effort continues in working with the Commonwealth Attorney's Office for the relocation program.

## **Homeless and Special Needs**

Most homelessness initiatives in the City are coordinated through the Housing and Homeless Coalition of Central Virginia (HHC-CVA), a recipient of funding through the U. S. Department of Housing and urban Development's (HUD) Continuum of Care Supportive Housing Program and Shelter Plus Care. Also participating in the HHC-CVA are the counties of Amherst, Appomattox, Bedford, and Campbell.

HHC-CVA is a regional organization comprised of agencies that serve as the lead entity for Supportive Housing Programs. The HHC-CVA currently has more than 35 member organizations, agencies, individuals, programs and businesses.

### **Sources of Funds**

The homelessness initiatives in the City are coordinated through HHC-CVA, a recipient of funding through the Stewart B. McKinney programs (Supportive Housing Program and Shelter Plus Care). The counties of Amherst, Appomattox, Bedford, and Campbell participate in the HHC-CVA.

The City of Lynchburg will utilize its Shelter Plus Care annual allocation to provide rental assistance to homeless persons that are transitioning to permanent housing.

### **Homelessness**

The City is a member of the HHC-CVA, which is a regional Continuum of Care (CoC) comprised of agencies that focus on issues pertaining to homelessness.

Through the participation of its members of the HHC-CVA the Coalition can more effectively address the needs of homeless individuals and families, including the following: homelessness prevention; outreach/assessment (i.e. case management); emergency services; transitional housing; and permanent supportive housing.

The specific priority needs outlined in the CoC strategy place high priority on the creation of new permanent housing beds for the chronically homeless, job training, and employment programs, and the journey from transitional to permanent housing for both families and individuals. The CoC's homeless activities during the five-year period of this Consolidated Plan will also coordinate homeless prevention services to those at risk of becoming homeless.

### **Chronic Homelessness**

The HHC-CVA has not designated any permanent housing beds for the chronically homeless. At this time, the CoC is unable to add beds to the services as the Lynchburg CoC is at the maximum of the HUD pro rata share and unable to make use of the permanent housing bonus.

The HHC-CVA provides a comprehensive response to the different needs of homeless individuals and families so that they can make the critical transition from the streets to independent living.

It is important that a balance of emergency, transitional, and permanent supportive housing be provided, along with homeless prevention, case management and other supportive services, so that the transition of homeless persons to self-sufficiency becomes permanent.

### **Homelessness Prevention**

Homelessness prevention is achieved using a variety of means, often through a connected network of services coordinated with public and nonprofit agencies. The HHC-CVA plans to continue its objectives to reduce the numbers of unsheltered households with children. The HHC-CVA will identify major prevention/intervention funding sources and agencies, collate regulations and limitations of each source or entity, create a tool for regular reporting of utilization of funds, and analyze gaps and utilization.

The HHC-CVA also plans to maintain or increase the number of persons employed at program exit. Employment is a critical step for homeless persons to achieve greater self-sufficiency. The HHC-CVA is comprised of several employers that work with homeless agencies to secure employment for clients. Case managers continuously work to ensure the appropriate evaluation of skills and abilities of clients in order to locate employment opportunities prior to exit.

### **Discharge Coordination Policies**

In relation to youth aging out of foster care, patients released from medical facilities, patients released from mental health institutions, and prisoners released from correctional institutions, the HHC-CVA continues to work in cooperation with individuals from local law enforcement agencies, supportive service agencies, and other interested parties to coordinate discharge.

The following are supportive service agencies that coordinate discharge:

### **Foster Care (Youth Aging Out):**

The Virginia Department of Social Services requires a service plan policy to be implemented by the Local Departments of Social Services so that youth aging out of foster care are released into

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a permanent housing setting. The local Departments of Social Services participate in the CoC and coordinate with colleague agencies to appropriately plan for discharge of youth out of foster care into private, permanent rental housing and with access to employment opportunities. Specifically, the Lynchburg Department of Social Services, to the extent possible, attempts to discharge youth to a home-like setting, sometimes with a family member or other adult who can provide guidance. As foster children turn 14 years of age, they are provided with independent living skills, which include budgeting for the funds that they receive from foster care and/or their employment, how to keep a checkbook, and how to set up an apartment for themselves. The Independent Living Coordinator meets with older foster youth (those 16 and above) on a monthly basis to do training and discuss the variety of issues that arise for these children.

**Health Care:**

CENTRA Health is the primary hospital provider in the region served by the CoC and its staff work closely with area agencies, providers, and organizations in the CoC to ensure safe and adequate placement of those being released from the hospital system. CENTRA is connected to many of the CoC and other local agencies for appropriate release planning back to families or to private rental housing and connection with services.

**Mental Health:**

Virginia mandates that persons discharged from State institutions or systems of care have a plan for discharge that prevents the occurrence of homelessness. The policy states that patients cannot be discharged into homelessness, including the streets, shelters, or other HUD McKinney-Vento funded programs. The State Hospital System in Virginia works with the Community Services Boards to coordinate discharge planning. This population routinely will go to private or church-run group homes and/or halfway houses until becoming stable in the community. Horizon Behavioral Health, formerly Central Virginia Community Services, serves the CoC region, participates in the CoC, and accesses funds to secure apartments and other housing options for discharged State hospital patients.

**Corrections:**

The Virginia Department of Corrections has protocols in place to specifically include housing needs in discharge plans. At discharge, the inmate must have a verifiable address in order to be released and the Probation and Parole District office is directed to address this need and use available local resources to help with housing. Often, the discharged inmate will return to family or to locally funded emergency shelters, such as the Salvation Army. The City of Lynchburg and other localities participate in the CoC and provide coordination for this effort.

The following objectives have been established for the CoC agencies for the period of this Annual Action Plan.

- Objective 1: Create new permanent housing beds for chronically homeless individuals.

The Steering Committee continues to consider alternatives to current funding and operations that would increase this inventory and has agreed to continue with its current programs and seeks additional resources that would increase permanent housing units through multiple sources. The greatest challenge is the funding for the supportive services and we continue to communicate with other statewide and regional groups to meet these needs, especially if the numbers of units increase. These efforts are intended to add another 5 to 10 permanent housing units to our inventory of supportive housing.

The CoC, if able to create newly designated permanent housing beds for the chronically homeless, in addition to those already occupied by chronically homeless individuals in current programs, will make significant strides in addressing and, hopefully ending chronic homelessness in our region by 2015.

- Objective 2: Increase percentage of participants remaining in CoC funded permanent housing projects for at least six months to 80 percent or more.

The CoC is currently at 76% of the baseline goal of 80% and intends to keep this percentage high and meet or exceed the goal within 12 months. The CoC will continue to implement the following activities: expanding the Shelter/Transitional Living (TL) Directors Committee to one that invites many other service providers' agencies to increase awareness and participation in services. Lynchburg Neighborhood Development Foundation (LNDF) has engaged in a partnership with the Substance Abuse and Addiction Recovery Alliance of Virginia (SAARA) to offer housing opportunities to participants in their outpatient recovery program. This will lead to other relationships to decrease the occurrence of relapse. Additionally, the permanent SHP's all work very closely together and share a case manager and Homeless Management Information System (HMIS) representative. The Steering Committee conducts analysis of Annual Performance Report (APR) data to determine the percentage of participants remaining in permanent housing for at least six months.

The CoC will increase its already high percentage of participants remaining in permanent housing by adapting supportive services to address outstanding issues identified by APR review and that may cause persons to leave prior to six months. The CoC will continue and expand its efforts to engage community support and resources for our permanent housing participants.

- Objective 3: Increase percentage of participants in CoC-funded transitional housing that move into permanent housing to 65 percent or more.

The two transitional housing programs (Miriam's House and Lynchburg Community Action Group-Family Living Center) receiving HUD funding have exceeded the goal of having 65% of participants exiting to permanent housing. Despite this continued success, both agencies will work towards increasing the percentage of project participants who move to permanent housing. This will be accomplished through case managers providing a strong safety net of service providers to each individual or family to ensure that needs are being met in the areas of mental health, health care, education, employment, and substance abuse treatment. In the next 12 months the transitional housing projects will continue to actively participate in the CoC's Clinical Service Network to remain up to date on current programs and services within the Lynchburg area that are relevant to the populations they serve. Case managers will continue to meet weekly participants to ensure that they are receiving the benefits and services they need to maintain long term success.

Throughout the next 10 years the CoC will continue to promote permanent housing exits from transitional housing through increased collaboration with permanent housing providers in the public and private spheres. Landlords will be more actively pursued as CoC participants to provide the CoC with their expertise and to collaborate with transitional housing providers.

- Objective 4: Increase percentage of participants in all CoC-funded projects that are employed at program exit to 20 percent or more.

The goal has been met and exceeded. The former Shelter/TL Directors Committee has coordinated a Clinical Services Network (CSN), which focuses on various topics relevant to the homeless community including employment assistance programs. Case managers in each of the CoC funded projects are able to attend trainings to learn more about program eligibility, application process, and program details. Individuals in the CoC funded programs will be referred to agencies based on needs. Homeless youth ages 14-18 will be referred to Goodwill's Youthworks program while single parents who receive Temporary Assistance to Needy Families will be referred to the Virginia Initiative for Employment not Welfare program. Clients with disabilities will be referred to the Virginia Department of Aging and Rehabilitative Services for employment services. The CoC will continue to be aware of new employment assistance programs in order to educate case managers through the quarterly CSN meetings.

In the long term, the CSN will continually increase awareness of local employment assistance programs in order to assist case workers with referring clients who are also unemployed to an appropriate program. CoC funded program representatives will participate in the HHC-CVA and contribute to the resources provided by the Clinical Services Network. The HHC-CVA members will intentionally reach out to major local employers who could be of assistance in providing entry-level jobs to unemployed individuals as appropriate.

- Objective 5: Increase the percentage of participants in all CoC-funded projects that obtained mainstream benefits at program exit to 20% or more.

Recently the Virginia Department of Social Services launched a website to assist individuals with accessing mainstream benefits such as TANF, child care assistance, medical assistance, energy assistance and SNAP. This website, called Virginia Common Help, is an important tool by which CoC funded project providers can help their clients access benefits. This tool eliminates the need to make frequent trips to the Department of Social Services as the application can now be completed online. In the coming year the CSN will host a training for providers to learn how to access the website and assist their clients with filling out the necessary information. Through this tool and education and training around it, the CoC hopes to increase the percentage of participants receiving mainstream benefits.

The CoC will continue to maintain collaboration with mainstream benefit providers to be aware of program changes, application requirements and eligibility to ensure that clients are being referred to the correct benefits. Since many benefits require extensive documentation, case managers will continue to work closely with their clients to procure the identification and documentation necessary to access benefits. Through strengthening the participation of benefit providers in the CoC, it is our expectation that the number of participants receiving mainstream benefits will continue to increase.

- Objective 6: Decrease the number of homeless individuals and families.

The Steering Committee is identifying partnerships with non-CoC members. Especially those in the medical and mental health communities, whose focus is children's services and family issues will provide resources to homeless households and also attempt to prevent individuals from reaching the point of homelessness. One of the goals of the Steering Committee is to



increase public participation in the HHC-CVA and to increase education on homeless issues, especially the effect in families. In the past we have used educational tools in schools to reach younger children. School officials have actively participated in this awareness programs. Our goal in the future is to spread this program into the counties.

## **Barriers to Affordable Housing**

Lynchburg is a city of relatively low housing costs. However, average income and cost-of-living also reflect these somewhat lower housing costs. In recent years there has been a resurgence of housing development, primarily in the outlying areas of the City. Development in the CDBG area remains limited to non-profit and subsidized activity. This is due to the very low property values in these census tracts and a greater value placed on improvements to property than to the land itself. In the target area, this high value on improvements, or buildings, had the effect of costing more than clearing land and, thereby, negating the opportunities of redevelopment. This was also a large disincentive to development through renovation because the cost of repair typically exceeds the value of the renovated property. Therefore, subsidized development has been the primary construction tool in the CDBG neighborhoods to offset the resistance of these neighborhoods to general real-estate market forces.

Even though the City's Zoning Ordinance has been amended, there are still outdated requirements that can be viewed as barriers to affordable housing. The City's Zoning Ordinance was adopted in 1978 after the City annexed portions of Amherst, Bedford, and Campbell counties in 1976. The ordinance is "suburban" in style and does not serve the older "traditional" areas of the City well. Existing dwellings in older areas of the City are typically located on smaller lots and do not conform to the Zoning Ordinance standards for setbacks or lot sizes. These large suburban setbacks and lot size requirements have prevented homes from being expanded and prevented the construction of affordable infill housing. The City is in the process of conducting a rewrite of the City Zoning Ordinance to determine an action plan for revision to Zoning Ordinance standards.

In some cases the City has approved waiver of certain City fees that create undue costs of development of housing by non-profit organizations. These and other strategies will continue to be considered so that increased development costs would not be passed on to low-income home buyers.

## **Other Actions**

### **Addressing Obstacles to Meeting Underserved Needs**

The City will continue to cooperate with local non-profits, neighborhood groups, and others to address obstacles to meeting the underserved need, foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop institutional structure, enhance coordination between public and private housing and social services agencies, and foster public housing improvements, and resident initiatives. Agencies and groups that coordinate this effort are the Lynchburg Neighborhood Development Foundation (LNDF), Housing and Homeless Coalition of Central Virginia (HHC-CVA), Lynchburg Community Action Group (Lyn-CAG), Rebuilding Together Lynchburg, Lynchburg

Redevelopment and Housing Authority (LRHA), Community Code Compliance Team and the Lynchburg Department of Social Services.

### **Access to Public Transportation**

Public transportation is one of the public systems that play a central role in supporting and sustaining the livability and economic vitality of the City. Ensuring that actions at all levels of government are coordinated, market-responsive, and sensitive to community development goals and objectives is of fundamental importance to the City. To the extent practical, the City will review its housing strategy and in coordination with the Greater Lynchburg Transit Company strive to provide residents of affordable housing access to public transportation.

## COMMUNITY DEVELOPMENT

The goals identified by City Council form the Community Development needs for this plan, and guide the objectives and direction of City funds and available resources. The following are the priorities and strategies to reach them.

### **Eliminate neighborhood deterioration, blight, and blighting influences.**

The City will continue its coordinated and aggressive code enforcement of dealing with weeds, abandoned motor vehicles, litter, and vacant buildings in an effort to improve the safety and appearance of neighborhoods, in which people live, work and play. The City will continue to use supervised inmate labor from the local jail to secure abandoned buildings against illegal entry, clean illegal dumpsites, and cut weeds on neglected properties. The Community Development staff will continue to involve the Police Department, Fire Marshall, and LRHA in determining the priority for demolition of substandard housing. The above is part of the City's ongoing Code Compliance Program, and is a high priority activity that reports to City Council annually.

Another segment of this Program is the continued support of the Community Code Compliance Team, a cross-departmental group of City employees whose job responsibilities relate to enforcement and/or quality of life issues. This Team will continue to focus on enforcing codes in a fair and effective manner; devise new strategies to address neighborhood/citizen concerns; and walk neighborhood streets as a group so that they can see and hear concerns first-hand and respond with their own observations.

The City will continue its selective demolition program in the targeted neighborhoods. The program is focused on demolition of non-historic structures and site preparation for the collaboration with non-profit housing providers to offer the sites for housing construction and the waiver of fees for landfill and demolition costs.

Public infrastructure in the downtown area is being addressed by the Combined Sewer Overflow (CSO) project and street improvements as part of the downtown redevelopment. The City will seek to complete this CSO project within the next three to five years. The Riverfront Park will meet recreational and entertainment needs for the City and region, in particular the targeted neighborhoods.

### **Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.**

Neighborhoods are an important foundation for improving and sustaining community livability and services. Strong neighborhoods help to create more active and informed citizens, which in turn result in a stronger community. Within neighborhoods there are shared identities, issues, concerns, and interests. Each neighborhood has its own unique priorities and character. The neighborhoods within Lynchburg's Historic Districts are working to preserve historical aesthetics. Some neighborhoods have traffic problems while others are dealing with beautification, crime, youth, socioeconomic, and/or family concerns. There are a variety of neighborhood issues and each neighborhood needs an avenue to deal with their own needs so that the community continues to be strengthened and protected.

Supporting the work of neighborhoods in order to create opportunities for citizens to take a leading role in their future is important for improving and sustaining community livability and

services. The process must include citizens, government, community organizations and other stakeholders working together to develop a common goal, mission and vision to address neighborhood concerns. The purpose of supporting organized neighborhood efforts to leverage their resources to improve and sustain community livability and services is ultimately to develop mutual responsibility and collaboration in community building and problem solving.

Another important aspect of improving and sustaining community livability and services is to build on the existing assets within the various neighborhoods by investing in existing housing stock through revitalization and rehabilitation efforts. Also, creating opportunities to make home ownership available to qualified individuals and providing assistance to help homeowners keep their homes helps to strengthen neighborhoods.

The City is moving towards focusing funds and efforts on the Tinbridge Hill Neighborhood. Several non-profit groups and churches (Friends of Tinbridge Hill) have joined together to focus on improving the quality of housing and infrastructure in this neighborhood. Tinbridge Hill is anchored by the very active Yoder Community Center, which recently underwent a renovation which was partially funded with CDBG funds, City funds, and private funds.

In Program Year 2011 and each succeeding year, The Tinbridge Hill Neighborhood Council (THNC), in partnership with the City of Lynchburg, and supported by the Friends of Tinbridge Hill (FTH) proposed a long-term, targeted investment of CDBG funds into Tinbridge Hill to assist its residents and community stakeholders accomplish its goals and develop a comprehensive vision. The residents and Neighborhood Council have built strong and productive relationships with identified and proven achievements. THNC and FTH have successfully engaged a number of stakeholders including the Legacy Museum of African-American History, the Old City Cemetery, Johnson Health Center, Presbyterian Homes and Family Services, Habitat for Humanity, Saint John's Episcopal Church, Randolph College, Rebuilding Together Lynchburg and other organizations throughout the community for various neighborhood improvement efforts.

Activities funded with Program Years 2011 and 2012 CDBG funds included housing rehabilitation, technical assistance to update the 1996 neighborhood plan, planning and study of access to Blackwater Creek Trail from Tinbridge Hill and interim assistance for neighborhood cleanup activities.

The Program Year 2013 (FY 2014) CDBG funds will be used for continued housing rehabilitation and planning assistance to secure easements for access to Blackwater Creek Trail.

City staff is continuing its development of a Sustainable Neighborhood Strategy regarding the sustainability of neighborhoods. Although still under development, operating principles that are proposed to guide the City's work in neighborhoods include:

- Sustaining neighborhoods through partnerships with non-profits, developers, businesses, neighborhood groups, and citizens.
- Recognizing and preserving neighborhood identity, character, history, and diversity.
- Public safety is necessary for vibrant and sustainable neighborhoods.  
Promoting well designed neighborhoods where residents are able to work, shop, and play close to home.

- Fostering connectivity within and among neighborhoods.

Proposed Goals that support the draft operating principles for neighborhoods include:

- Supporting mixed-use neighborhoods with accessible green space.
- Encouraging innovative, safe, and affordable housing choices.
- Recognizing the uniqueness of all neighborhoods and partnering in revitalization efforts.
- Promoting neighborhood partnerships to maximize community resources and facilitate self-sufficiency.
- Connecting neighborhoods through infrastructure and public services.

Objectives and specific benchmarks will be closely linked with the goals noted above.

### **Support Economic Development efforts which will expand job opportunities and retention.**

The City's goal is to incentivize and support commercial and industrial development in order to encourage economic growth, expand the tax base and increase job creation. We will use the following strategies: (1) aggressive, targeted downtown redevelopment and revitalization efforts focused on existing business support, new business attraction and residential, infrastructure and quality of life investments; (2) continue to offer and even expand redevelopment and façade improvement financing to businesses in the downtown census tract to further redevelopment in this area and instill pride in our Main Street; (3) encourage continued support from the area banks in the privately-funded Enterprise Zone Loan Pool, which provides reduced rate loans to eligible businesses; (4) continue to support the Business Development Centre, a non-profit organization which provides Small Business Administration loans, other loans, and technical assistance to emerging businesses; and (5) increase existing business and entrepreneurial participation in the Economic Development Authority's Revolving Loan Fund. The City will also support projects that recruit and train low-income persons and assist them in obtaining employment. The City will continue implementation of the downtown master plan for the redevelopment of downtown.

### **Promote activities which support the healthy development of the City's at-risk youth, adults and families.**

The City supports and will continue to serve at-risk youth, adults and families to provide comprehensive, collaborative, and quality services that empower youth and families. Goals established include: identifying the needs of youth and families and working collaboratively to meet those needs, providing high quality services and programs needed by youth and community programs that impact youth and families, and development of prevention resources and programs.

Although no CDBG funds have been directly allocated to public service nonprofit agencies, the City will continue to support public service providers in order to meet the needs of low-to-moderate income persons, individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons. In addition to the services provided by the City's Social Services Department, there are many nonprofit organizations that coordinate with the City to provide the services needed.



## PROGRAM SPECIFIC REQUIREMENTS

### CDBG

1. Identify program income expected to be received during the program year, including:
  - amount expected to be generated by and deposited to revolving loan funds;
  - total amount expected to be received from each new float-funded activity included in this plan; and amount expected to be received during the current program year from a float-funded activity described in a prior statement or plan.

***The City expects to receive \$2,030.00 from Lynchburg Redevelopment and Housing Authority (LRHA) from an amortized loan described in a prior plan.***

2. Program income received in the preceding program year that has not been included in a statement or plan.

***The City has made adjustments for additional program income received in the 2012 and the 2011 plan years.***

3. Proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in its strategic plan.

***The City does not have any proceeds from a Section 108 loan guarantee.***

4. Surplus funds from any urban renewal settlement for community development and housing activities.

***The City does not have an urban renewal settlement.***

5. Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.

***The City does not have any returned grant funds.***

6. Income from float-funded activities.

***The City does not have any float-funded activities.***

7. Urgent need activities, only if the jurisdiction certifies.

***The City does not have any urgent need activities.***

## **HOME PROGRAM**

### **HOME Assistance**

The City of Lynchburg expects to utilize HOME funding for homeownership, rehabilitation, and new construction.

### **Other Forms of Investment**

The City of Lynchburg does not intend to use other forms of investment.

### **Guidelines for Financing and Refinancing**

Not applicable. During Program Year 2013 (FY 2014), the City of Lynchburg does not anticipate using HOME funds to finance or refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

### **Recapture Provisions for Homebuyer and Homeownership Activities**

In accordance with HOME program regulations at 24 CFR Part 92, properties assisted must remain affordable during the affordability period. Under recapture provisions, this period is based on the direct HOME subsidy to the homebuyer and includes down payment assistance, “gap” financing, and interest rate buy-downs, as available.

The HOME affordability periods are as follows:

HOME Investment Per Unit	Length of the Affordability Period
Less than \$15, 000 subsidy	5 years
\$15, 000 - \$40,000 subsidy	10 years
More than \$40,000 subsidy	15 years
New construction of rental housing	20 years

HOME-assisted units are subject to affordability for the entirety of the affordability period. These HOME-assisted units are subject to a recapture provision in order to assure that the units either remain affordable (i.e. housing eligible clients) or that the City recovers its investment based on the terms of the agreement. Funds are recaptured only from the net proceeds of the sale or foreclosure.

In accordance with HOME CPD 12-003 Notice “Guidance on Resale and Recapture Provision Requirements under the HOME Program” the City has submitted to the HUD Richmond Field Office the “Recapture Restriction Agreement” used by the City for homebuyer projects. This document includes the basic requirements for recapture provisions in HOME Investment Partnerships (HOME) program homebuyer projects. The document was reviewed by the HUD Richmond Field Office staff and was found to be acceptable for compliance with §92.254(a)(5) of the HOME Program regulations.

### **Tenant-based Rental Assistance**

The HOME funds are not used for tenant-based rental assistance.

### HOME Affirmative Marketing

The City's Affirmative Marketing Procedures that will be followed to affirmatively market housing containing five or more HOME-assisted units is attached. (See Appendix C)

### HOME Minority Outreach Program

The City's Minority Outreach Program procedures that will be followed in accordance with Section 281 of the HOME Investment Partnership Act and 24 CFR 92.350 is attached. (See Appendix C)

### HOME Matching Requirements

HOME matching requirements are met by volunteer hours committed through non-profit agencies.

## **HOPWA**

The City of Lynchburg does not receive Housing Opportunities for Persons with AIDS (HOPWA) funds.

## **EMERGENCY SOLUTIONS GRANTS (ESG)**

The Emergency Solutions Grant (ESG) Program is authorized by the McKinney-Vento Homeless Assistance Act funded through the U.S. Department of Housing and Urban Development (HUD). This federally funded program is administered through HUD by a formula allocation to ESG entitlement localities and states.

The Virginia Department of Housing and Community Development (DHCD) is responsible for administering the state ESG allocation for Virginia. The state allocation minus 7.5 percent for state/local government administrative costs will be allocated to grantees (non-profits and units of local governments) serving ESG non-entitlement localities. These are localities that do not receive a direct ESG allocation from HUD. Lynchburg is not a direct recipient of the ESG funds; therefore, \$100,000 has been reserved by DHCD for the Lynchburg Continuum of Care (CoC), known as the Homeless and Housing Coalition of Central Virginia (HHC-CVA).

The goals of the state ESG program are:

- To reduce the number of individuals/households who become homeless;
- To shorten the length of time an individual or household is homeless; and
- To reduce the number of individuals/households that return to homelessness

During Program Year 2013 (FY 2014) DHCD will issue one-year (July 1, 2013-June 30, 2014) grants to grantees as a result of a CoC-based application process. The Lynchburg CoC (HHC-CVA) plans to submit an application on behalf of participating organizations for the ESG funding.

## OTHER NARRATIVES AND ATTACHMENTS

Available Resources - The Table below reflects the CDBG and HOME financial resources available during Program Year 2013 (FY 2014).

<b>Program</b>	<b>FY 2014 Federal Funding</b>
<b>Community Development Block Grant Program (CDBG) Entitlement</b>	<b>\$607,280.00</b>
<b>Prior Year Funds Available for Reprogramming:</b>	
<b>Bluffwalk (Interest Payment 2012-2013)</b>	27,000.00
<b>Returned Funds from LRHA</b>	2,716.00
<b>Hunton Randolph</b>	25,000.00
<b>LRHA 2011-2012 Spot Blight Abatement</b>	85,000.00
<b>Program Income (2011-2012)</b>	8,739.89
<b>Program Income (2010-2011)</b>	150.00
<b>Total Amount of Funds to Reprogram:</b>	<b><u>148,605.89</u></b>
<b>Program Income 2012-2013</b>	<b><u>2,030.00</u></b>
<b>Total CDBG Funds</b>	<b><u>\$757,915.89</u></b>
<b>HOME Program-Entitlement</b>	<b>\$269,647.00</b>
<b>Prior Year Funds Available for Reprogramming:</b>	
<b>City Program Administration (2010-2011)</b>	8,176.00
<b>Total Amount of Funds to Reprogram:</b>	<b><u>8,176.00</u></b>
<b>Total HOME Funds</b>	<b><u>\$277,823.00</u></b>
<b>Total Federal Resources</b>	<b><u>\$1,035,738.89</u></b>



### **Low/Mod Benefit (91.220(1) (1) (iv) :**

At least seventy percent (70%) of the CDBG funds will be used for activities that benefit persons of low- and moderate income or that live in a low- and moderate income area. The activities include housing rehabilitation, targeted neighborhood revitalization, acquisition, and slums and blight. The project detail sheets identify the location of each project, which includes the CDBG-targeted areas (Census Tracts 4, 5, 6, 7, 11, and 19).

### **Lead-based Paint 91.205 (e)**

Paint hazards are given high priority and addressed in all residential rehabilitation projects undertaken with federal funds as mandated by HUD and the Environmental Protection Agency (EPA). Paint hazard evaluations, testing, risk assessments, safe work practices, clearance, and resident notifications will continue to be performed as part of the housing rehabilitation programs.

### **Fair Housing**

Funding was allocated in the FY 2013 CDBG projects for the City to update the current Analysis to the Impediments to Fair Housing (AI). There was a delay in moving forward with this project; however, the City has released a Request for Proposals (RFP) to conduct this AI. The RFPs are due back to the City on April 25. This AI will be completed during this Annual Action Plan and will be submitted to Office of Fair Housing, Richmond Field Office upon completion. This update is going to be reviewed in conjunction with the overall housing needs in the City including affordable, transitional, homelessness, and public housing.

In addition to the AI being completed during Program Year 2013 (FY 2014), the following actions will be taken to further affirmative fair housing:

- Fair Housing brochures will be available to the public through the CDBG subrecipients and to persons visiting City Hall, the public libraries, and the Community Development Department.
- City staff will participate in the Homeless and Housing Coalition, composed of service providers who prepare the Continuum of Care to address the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing.
- The equal housing opportunity logo will be included on all newspaper ads placed by the Grant Administration Office.
- Provide fact sheets for bulletin boards within work areas and public common area.
- LRHA will continue to post in every building for which Section 8 occupants are located a Fair Housing Poster. There is also a poster in each staff person's office located at 918 Commerce Street.
- A public notice will be published in *The News and Advance* regarding fair housing rights and telephone numbers for concerned individuals to call if they feel their fair housing rights have been violated, or they want additional information. (See Appendix D)
- Information regarding fair housing and Fair Housing month (April 2013) will be posted on the City of Lynchburg web site. (See Appendix D)

- In addition to the web site and newspaper advertisements, City staff ensured that all bid documents and contract solicitation for City of Lynchburg, Federal and State projects include solicitation of minority-owned and women-owned businesses. All non-profits that receive CDBG and HOME funds also have their own marketing policy that indicates recruitment and solicitation of minority-owned and women-owned businesses where possible.
- City staff will assist contractors in obtaining the certified list of minority-owned and women-owned businesses. The vendor/contractor list provided on the State of Virginia's web site will be distributed to contractors, as requested.

## **Section 108 Loan Guarantee**

**Project Name:** Bluffwalk Center Project  
**Section 108 Project Number:** B-00-MC-51-0014

### **Project Description:**

In June 2003, the City was awarded a Section 108 Loan for the Bluffwalk Center. The Center consisted of a Boutique Hotel, Upscale Restaurant – Shoemakers, Microbrewery and Conference Center. The project later added another restaurant - Waterstone. This project has added new permanent full time jobs benefiting low and moderate-income recipients.

### **Current Status:**

The Bluffwalk Center Project has been completed. Repayment of principal and interest is in progress.

**Section 108 Loan Amount:** \$3,200,000

**Economic Development Initiative (EDI) Grant:** \$800,000

**Total Amount of CDBG Funds Provided to Project for Repayment:** \$1,196,054

**Matrix Code:** 19F-Planned Repayment of Section 108 Loan Principal

The number of jobs made available to low and moderate-income recipients was actually 90 through full-time and part-time positions. However, the number of Full Time Equivalent (FTE) jobs made available to low and moderate-income recipients was 54.6. The projected amount for the Bluffwalk Center Project was 61. The number of jobs made available to low income recipients was determined by comparing the annual salaries to 50% of the median income for Lynchburg per the 2000 census. The number of jobs made available to moderate income recipients was determined by comparing the annual salaries to 80% of the median income for Lynchburg per the 2000 census.